

BUSINESS CHEAT SHEETS

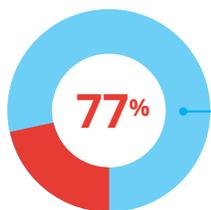
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Business Cheat Sheets

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14 TIPS TO STARTING UP YOUR OWN COMPANY



Business

77% of people use their own money or family assets for business startup funding.

- US Census Bureau

FIND AN IDEA YOU BELIEVE IN.

You will change your business idea dozens of times.



GET STARTED IMMEDIATELY.

Don't waste time on small issues.



SELF FINANCE YOUR BUSINESS.

Other sources of financing are time consuming and difficult to get.



OUTLINE A BUSINESS PLAN.

Consider who you're selling to, what features are key, and pricing.



DON'T OUTGROW REVENUE.

Wait to get help until you have the revenues to pay for it.



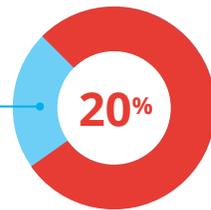
START WITH LOW PRICES.

As demand for your services increases, raise your prices.

A good balanced diet can raise productivity levels by 20%.

- US Census Bureau

Mental



EXERCISE & EAT HEALTHY.

You'll need to be running on all cylinders.



MINIMIZE DISTRACTIONS.

Sell your television and gaming systems.



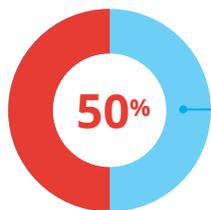
CUSTOMER INFLUENCE.

Allow only your target customers to influence you.



EXPECT TO FAIL.

Work at building your business as if it is a giant scientific experiment.



Learn

Almost 50% of consumers want businesses to listen to them to improve their products.

- JD Power and Associates

ENGAGE FUTURE CUSTOMERS.

Seek your target customer and sell them on your product/service.



TRAIN YOURSELF.

Whenever you see yourself lacking in a key skill, buy a book on it and study your butt off.



INTERACT WITH ENTREPRENEURS.

Entrepreneurs can encourage and give advice on what you are doing.



STUDY ENTREPRENEURS.

Read their books – Sam Walton's autobiography, Richard Branson's autobiography.

Starting Your Own Company

- 1.** Find an idea you believe in. Do not spend too much time hemming and hawing though; just jump straight in. You will change your business idea dozens of times as you hone in on what works and what does not.
- 2.** Outline a business plan. Use a notebook or Google Docs or a similar tool to sketch out a business plan. Consider who you are selling to, what key features are needed, initial pricing, and other such information.
- 3.** Self finance your business. Taking on loans, venture capital and research grants are all extremely time consuming and difficult to get... not to mention once you have them it puts tons of pressure on you. Instead it is far better to save a bit of money and test the waters more gingerly.
- 4.** Get started immediately. Break down what projects you need to do first into smaller tasks. Don't waste your time on things you will only need if you see traction – do not bother setting up legal, accounting, employees, or anything else that is not directly related to testing your idea in the marketplace. You can deal with all of that stuff later if the idea works, if it doesn't then you wasted your time on all those items.
- 5.** Talk to your prospective customers now. Seek out people who you intend to be your target customer market immediately and try to sell them on your product/service before you get too far down the road. Make sure that your idea is something they will actually pay for and not just say that they will pay for.
- 6.** Minimize distractions. Sell your television and gaming systems. Remove anything from your life that you know will cause you difficulties in focusing on your business. Don't waste your willpower trying to turn off the TV or xbox or World of Warcraft game. Get rid of those items and prepare to dig in and focus exclusively on your business.
- 7.** Exercise and eat healthy. Starting a business is an incredibly draining and challenging activity that requires you to be firing on all cylinders. If you want to succeed, it is very smart to give yourself the best possible opportunity by eating very healthily and exercising every day.
- 8.** Don't let anyone but your target customers influence you. If people are telling you you are an idiot for doing what you are doing ignore them unless they are your actual target customers. Your actual target customers have the only opinion

that really matters. Especially ignore people who tell you that starting a business is dangerous and foolish.

9. Find other entrepreneurs and spend time with them daily. It is very valuable to spend time working with other entrepreneurs as they are also excited about starting a business and can help encourage you through tough times and give you advice.

10. Expect to fail. Many of your efforts will fail and many of your ideas won't work. Be prepared to work at building your business as if it is a giant scientific experiment and receiving data that one of your hypotheses did not work is actually a good thing. You now know more than you did before.

11. Study other entrepreneurs. Read the books they have written – some good ones are Sam Walton's autobiography, Richard Branson's autobiography.

12. Do not let your expenses outgrow your revenues. It is easy to want to hire an employee or a contractor to help you out, but don't bring on assistance until you have the revenues to pay for it. This will also give you valuable training in different areas you are not familiar with such as legal, invoicing, marketing and other key areas you will need to succeed in the long run.

13. Start with low prices. You will not be able to win on quality over competitors when you first start out since those competitors generally have had years of experience and fine tuning over you. So start with low prices and as demand for your services increases slowly raise your prices to match. Consider the time you are working at low rates to be education – and you don't have to pay for this degree!

14. Train yourself. One of the most important things an entrepreneur can do is learn how to train yourself. Whenever you see yourself lacking in a key skill, buy a book on it and study your butt off. I have bought over 100 texts on Amazon on everything from database programming to accounting to human resources.

Creating Your Small Business Idea

The most fun part of being an entrepreneur is coming up with your business idea. This is a phase that involves creativity and requires almost no execution. Many entrepreneurs have dozens of viable business ideas. The key is how you approach your process of narrowing down from all the different possibilities to one focused business idea that you can believe in and be passionate about.

New Business Idea Phase

During the initial idea phase for a new business you want to come up with as many ideas and variations as you possibly can. Do not be negative towards yourself during this time and don't let other people try to shoot holes in your business ideas yet. That will come soon.

The best way to approach this is to start with what you already know and you already have skill in. If you are an investment banker, think about things related to finance. If you are a physical laborer, think about business ideas related to landscaping. If you are a trucker, think about business ideas related to the transportation industry.

You want to avoid businesses you know absolutely nothing about. Stick to stuff you already have familiarity with and a passion for. Don't try to do robotics if you have never written a computer program and don't understand the basics of hardware. You also may not have the passion to stick with your business through all the hard times if you don't already understand it.

The best sort of business ideas look at your current skill set and hobby interests and then look to fill gaps that exist. For instance, if you are really into remote control helicopters but can never buy enough replacement parts to keep your choppers flying, then you should consider selling bulk parts to consumers. Or perhaps if you are a janitor, you should look into creating a property management company if your local area does not have trustworthy property management corporations.

37 New Business Ideas To Get You Started:

- Digital tracking of performance on a bicycle
- Smartphone connection with doctors
- Turn vacant office space into hotels
- Music streaming that improves focus at work
- Beer brewing
- Landscaping
- Writing a blog online
- Sock that can detect foot injuries
- Furniture moving
- eBay / Craigslist retailer
- Jeweler
- Home theater setup
- House painting
- Auto mechanic
- Locksmith
- Life coach
- Carpentry
- Disaster planning
- Massage therapy
- Restaurant
- Bar
- Social media consultant
- Tree farmer
- Animal farmer
- Veterinarian
- Web designer
- Camera that can show you your pet while your at work
- Travel comparison
- Interior designer
- p2p lending
- Vehicle that can be put together from a kit
- Self driving cars
- Solar powered computer
- Portable segway vehicle
- Social network for hospital patients
- Social network for retirement home people
- Customizable shoes

CREATING YOUR NEW BUSINESS IDEA

Whether you start off with one of these



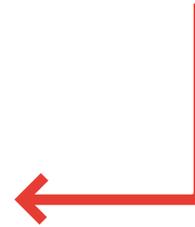
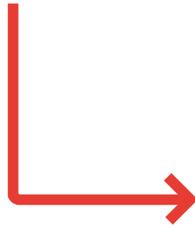
SPONTANEOUS



EVOLUTIONARY



DELIBERATE



1.

DON'T JUDGE

2.



FILTER BY WHAT YOU KNOW



3.

FIND THE GAPS IN THE INDUSTRY

37 Ideas to get started

Digital tracking of performance on a bicycle
Smartphone connection with doctors
Vacant office space into hotels
Music streaming that improves focus at work
Camera shows you your pet while your at work
Vehicle that can be put together from a kit
Social media consultant
Sock that can detect foot injuries
Social network for hospital patients
Social network for retirement home people
Life coach
Carpentry
Disaster planning

Massage therapy
Restaurant
Bar
Jeweler
Furniture moving
eBay / Craigslist retailer
Home theater setup
House painting
Auto mechanic
Locksmith
Beer brewing
Landscaping

Writing a blog online
Tree farmer
Animal farmer
Veterinarian
Web designer
Travel comparison
Interior designer
p2p lending
Self driving cars
Solar powered computer
Portable segway vehicle
Customizable shoes

HOW TO WRITE A BUSINESS CONTRACT

These steps will help you write a new business contract by giving you an idea of what is necessary to include in your contract and removing the element of fear that goes along with it.

KEY WORDS TO KNOW: PLEASE NOTE I AM NOT A LAWYER AND THESE TIPS ARE NOT LEGAL ADVICE.

ADR:

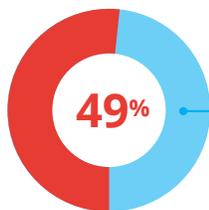
Alternative Dispute Resolution - including this clause in your contract helps to stay out of court and saves you money. i.e Mediation or Arbitration.

MEDIATION:

Involves a neutral third party in the dispute resolution process who assists or "facilitates" the negotiating process.

ARBITRATION:

A neutral third party or panel hears a dispute between two or more parties after reviewing, the panel issues a decision/judgment.



Contract

About half of all new establishments survive five years or more.

- Small Business Administration - 2012

RESEARCH CONTRACTS.

Find similar templates and use it as a reference for your contract.



SPECIFIC REQUIREMENTS.

Be thorough when describing what is required of each party involved.



CONTRACT GOVERNING STATE

Determine if it goes to mediation, arbitration, small claims court etc.



CONFIDENTIALITY CLAUSE.

For non-disclosure if either parties involved will learn private information.



BE STRAIGHT FORWARD.

No need for fancy legal lingo for a contract to be effective.



ORAL CONTRACTS.

Always get a contract in writing. Oral contracts will not hold up in court.



USE LEGAL BUSINESS NAMES.

Identify each party by business name and not the individuals name.



PAYMENTS & SCHEDULE.

Determine a schedule and be clear of who owes what & when.



CANCELLATION & TERMINATION.

Establish specific steps on how or when it can be done.



SIGNATURES.

Have all parties sign & date the contract & keep a copy for reference.



How to Write a Business Contract

Are you just getting your business started and want to avoid spending thousands of dollars on a lawyer but are afraid to write legalese yourself?

These steps on how to write a business contract should help remove the element of fear and help you better understand what do. It would be smart to consult a lawyer to review your contract once you are done. Many of the contracts that my business uses have been written by myself based off of templates I find online then customized and fleshed out with what I want. I have an attorney friend who will generally review my contracts after I have written them to make sure they are free of errors and cover my bases. Below are the essentials of writing a good business contract:

1. ALWAYS put all terms of an agreement in writing. Oral promises are worthless in court because though they may be legally binding they are often difficult to prove that they actually exist. I actually have run into a number of situations in which I made a written agreement with someone and then we couldn't remember the terms later so

the written agreement saved us the trouble of an expensive legal battle – it was a great reminder of what was needed.

2. Use correct legal names. Identify the parties to the contract by their full legal business names (LLC or corporation) not by the individuals signing the contracts name. Make sure that whoever is signing the contract with you has the right to sign on behalf of the corporation. You need to make sure that this is accurate so that if the agreement goes south you have legal rights over that entity.

3. Be direct. You don't need to use a lot of fancy legal lingo for a contract to be effective. Be simple and direct in pointing out what needs to be included. Try to think of all relevant factors and situations that could come up and make sure those are addressed. Keep things simple with clear numbered paragraph headings with nice titles.

4. Don't forget anything relevant. Judges will only enforce what is included in a contract, not what you discussed orally leading up to signing the contract. Make sure that everything is included. If there are charts, graphs, videos or other relevant information be sure to include them as "Exhibit A", "Exhibit B", etc. If you do end up forgetting

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Business Cheat Sheets by Joel Gross

How to Write a Business Contract

something, create a short written amendment to add those details onto the contract.

5. Confidentiality. Be sure to include a clause for non-disclosure if one or both of the businesses involved will learn private information about the other business.

6. Select a state to govern the contract. Pick a state that will be in charge of arbitrating a disputed contract. Generally you will want this to be the state you are in. You also should include what legal steps each party should take when the contract is in dispute – does it go to mediation, arbitration, small claims court, or regular court? Deciding this stuff up front will avoid lots of legal red tape battles later if the contract does not go as planned.

7. Include all information and details. Be sure to thoroughly explain the rights and duties of all the parties involved. Don't forget the who, how, when, where or anything else. Remember that anything not in the contract will not be enforceable in court.

8. Specify exactly how the contract can be terminated or canceled. Frequently one party or another will want to cancel or terminate a business contract. If they do choose to do so, they will need a set route established on how or when it can be done. Many times a cancellation will require one business to pay the other a fee or to perform a certain action. Another example might be that if

one party misses many deadlines the other party can cancel the contract.

9. Be very clear when money is involved. Be specific on who owes what to whom and when. Include what the penalties are for late payment. If installment payments are made be specific as to what dates they will be made on. If work needs to be done to the satisfaction of one party, be very specific on what exactly needs to be done to satisfy that party. Also include method of payment – credit card, cash, cashier's check, etc.

10. Signatures. Don't forget to have both parties sign and date and obtain copies of the contract!

11. Find template contracts to start from. If you are writing up a new contract type for the first time you can often simply Google search for it and you will turn up many other people's similar contracts. I have put together my own little Frankenstein's this way and then sent them to my attorney for a quick review and approval.

Building Your Website

In 2012, ecommerce sales topped \$1.3 trillion according to eMarketer and well over 80% of the US population is online on a daily basis.

For your customers to find you, you need a great website to showcase your business. Building a website is highly intimidating for non-technical people so I put together a brief review of options available to you and the steps necessary to get a website built.

The first question to ask is what kind of a website you need and what your budget is.

If you are seeking a website that is fairly standard and you have a small budget, then a website creation tool like BigCommerce for eCommerce sites will work great. If you just want to put content up and you don't need any transaction processing, WordPress is an excellent platform. Both of these platforms are do it yourself and very easy to get a website live on a thin budget.

If you have a larger budget, generally it is wisest to seek out a company to assist you in design and development to build a great custom site that matches your needs. How can you find a good

contractor? There are several resources available for building your website depending on your budget:

Under \$2,000:

Eance.com – freelancers generally overseas who work cheap. Be very careful to give a detailed list of requirements and review applicants portfolios and reviews and ratings thoroughly.

\$2,000- \$7,000:

Craigslist.org- find a contractor in your area who will meet with you in person to plan out your website build. Only hire people with appropriate technical skills and great looking portfolios.

\$7,000+:

Hire a design and development agency with a great reputation in your area. Use tools like Yelp.com to see a companies reviews from other customers. Look carefully at their portfolio and meet with them in person at their office. A great example would be CoalitionTechnologies.com. Next, you need to interview the people doing your website development. Here are questions you should ask:

- Provide me a complete list of your portfolio

items that your firm developed without any outside contractors? Please list templates or themes that were used for these portfolio items (AVOID firms that use templates and themes!)

- Send references of other customers who have worked with you and been satisfied with the results. Have you had any dissatisfied customers? If so why were they dissatisfied?
- Is your work done by full time employees or contractors (AVOID contractors)
- How long did it take from signing the contract to the go live date for the last 5 websites you launched?
- What support do I get from your company after my website goes live?
- Who on your team will I be working with?
- What features and functionality will my new website need based on the description of my desired site I provided you?

Once you have selected a company to work with, you need to finalize a scope of work. This should clearly outline deliverables, time lines, and payments. People who do not provide a clear scope of work will most likely end up not delivering the final product you are looking for. Your contract to build your new website will need the following items in writing:

- Payment dates
- Time line

- Who the primary users of your website are
- What logos, color palette, fonts or other materials will be required to be included in the site
- Where will the website be hosted
- Platform requirements (payment processing, contact forms, video, slideshows, etc)
- Who will be maintaining the website after launch
- List of particular features your website needs, list everything no matter how small or obvious it might seem
- Sitemap (list of all the pages you anticipate having when you launch the site)

You are probably very excited to get your new website launched, but doing your due diligence upfront will save you a lot of time and pain later on in maintenance and costs.

TIPS FOR BUILDING YOUR WEBSITE

49%

Budget

49% of small business owners plan to create a new e-commerce website.

- Alibaba.com - 2013

DO IT YOURSELF.

BigCommerce for eCommerce or Wordpress for non-eCommerce.



\$2,000 - \$7,000.

Craigslist.org - Contractor near you. Again, check their portfolio thoroughly.



UNDER \$2,000

Elance.com - Freelancers are less pricey but check their portfolio thoroughly.



\$7,000 +

Design & Development Agency. Such as CoalitionTechnologies.com.



Coalition Technologies has a client retention rate of 97% & customer satisfaction of 99%.

- CoalitionTechnologies.com

Interview

97%

ASK ABOUT THEIR PORTFOLIO.

Avoid if they use themes or templates & outside contractors to develop.



EMPLOYEES OR CONTRACTORS.

Ask who you will work with directly. Avoid firms that use contractors.



SUPPORT AFTER LAUNCH.

Ask about what support you'll get after your website is launched.



CUSTOMER REFERENCES.

Ask about satisfied results as well as any dissatisfied customers & why.



LENGTH TO GO LIVE.

Ask about the length of the last 5 projects from contract to site launch.



FEATURES & FUNCTIONALITY.

Your website should be customized based on the your desired goal.



55%

Contract

55% of mobile-phone owners use their phones to go online.

- Pew Internet

TIMELINE / SCHEDULE.

Payment dates, & Milestones.



HOSTING & MAINTENANCE.

Who is maintaining the website & where it will be hosted.



STYLE ASSETS.

Logos, Color Palette, Fonts, or any other assets you need to provide.



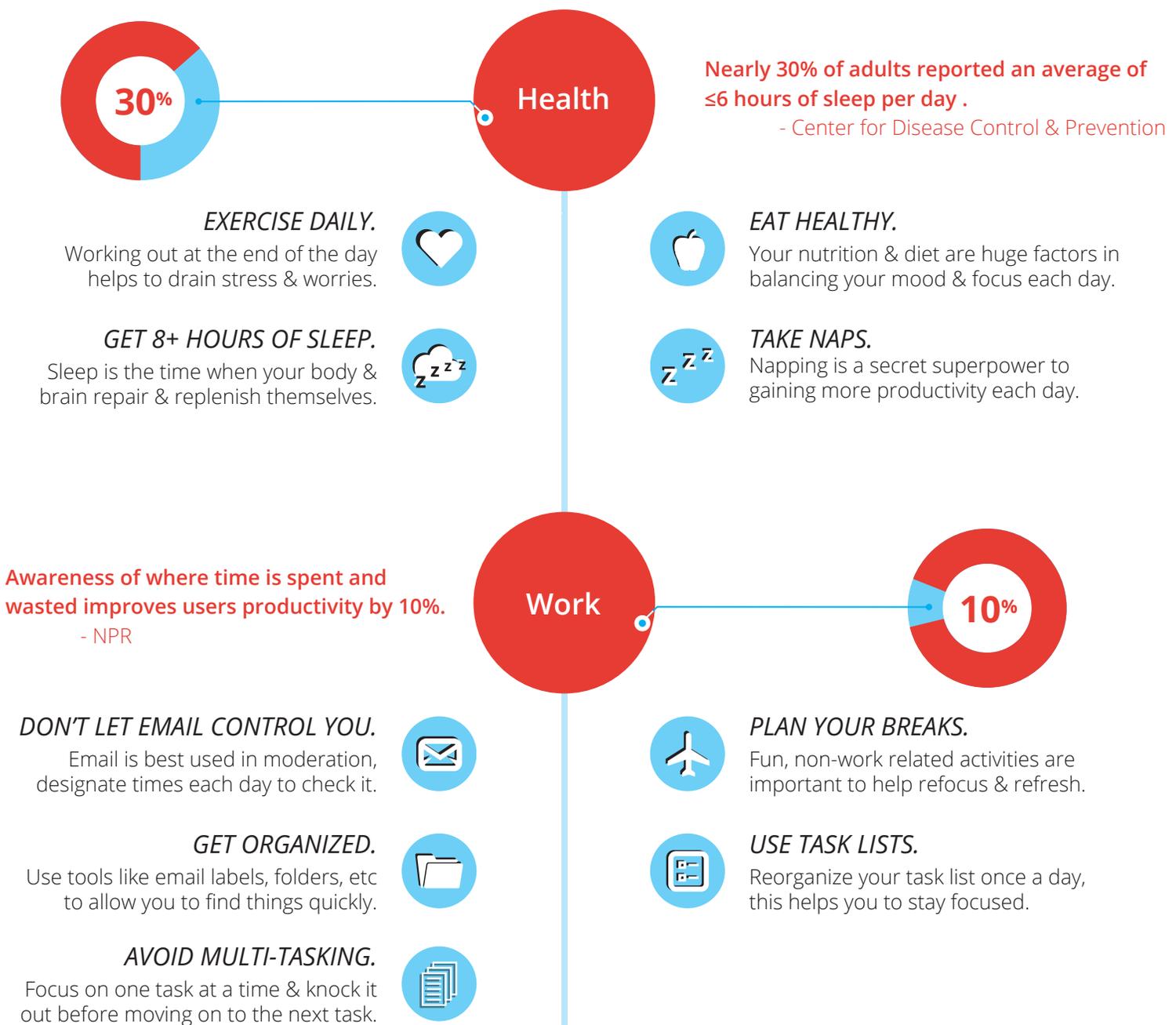
FEATURES AND REQUIREMENTS.

Every feature listed as well as platform requirements (payment processing, contact forms, video etc).



INCREASING YOUR **PRODUCTIVITY**

To become an expert in an area, it takes 10,000 hours of focused and dedicated practice. For your business to achieve your dreams, you are going to need to be as productive and organized as possible to be an expert in your domain.



Productivity Tricks

As a business owner, you need to put hours of work every day to help grow your business into a success. Malcolm Gladwell pointed out in "Outliers" that it takes 10,000 hours of focused dedicated practice in an area to become an expert.

For your business to achieve your dreams, you are going to need to be an expert in your domain and the sooner you can get there the better. So how can you reach 10,000 hours of dedicated time in your business most quickly? I have found these 9 productivity tricks on this edition of the Business Cheat Sheets to be essential:

1. Exercise daily – Getting in a good workout at the end of each day is an excellent way to drain stress and worries that build up throughout the work day. I personally prefer very vigorous workouts like Crossfit and rock climbing and running. When you are doing a hard physical workout it is impossible to keep thinking about your problems. This allows you to start fresh the next day.

2. Eat healthy - It goes without saying that your nutrition and diet are huge determinants in how strong your mood and focus are each day. I begin each day with a blender drink containing a mix of vegetables, fruits, seeds, nuts, and salmon oil.

3. Don't Let Email Control You - Email is a powerful tool, but if you let it control your agenda you will lose a lot of productivity. Email is best used in moderation. I suggest having designated times each day when you check your email like 8am and 5pm. That way you can get back to everyone the same day, but your email does not turn into your task master.

4. Plan Your Breaks – Just like you plan your workweek, you need to plan your weekends and vacations. I try to plan fun, non-work related activities for at least one day per week as this gets my mind off work and allows me to start the next week fresh and newly motivated. For me, this means going hiking, camping, rock climbing, or short travels to nearby cities.

5. Get 8+ Hours of Sleep - Sleep is the time when your body and brain repair and replenish themselves. Not getting enough sleep each night does not mean you are working hard – it simply

means that your body will not fully refuel and re-energize itself. Your productivity will go down. Sleep is essential.

6. Naps – Naps are a secret superpower for gaining more productivity out of each day. A 30 minute nap will make you just as efficient and sharp as you are in the morning in the afternoon. The human body is built to take naps and most countries in the world have siestas or naps – Americans are the odd man out here. Take naps!

7. Get organized - Use tools like email labels, desktop folders, etc to help you get and stay organized. Disorganization will cause lost time and frustration while you hunt around for things you need to do your job.

8. Use Task Lists – Each morning or evening, reorganize your task list so that you know what your top priority tasks are that must get done that day.

9. Avoid Multi-tasking - For most people and most jobs, multi-tasking will lower your productivity levels over the long run. Focus on one task at a time and knock it out before moving on to the next item.

How to Avoid Scams

Business owners are constantly pitched on a wide variety of products and services. Unfortunately, many of these are scams and a business owner needs to be able to tell how to avoid scams to stay in business.

You may have an excellent business model, lots of revenue and success, but if someone scams you that can set you back or possibly even cause you to go out of business. It is very important in business to never let your guard down against potential scammers.

A scam can come from anyone: a relative, a trusted friend, a salesperson, an employee, a client, or almost anywhere else. Anytime someone is wanting or taking an action or requesting money for something there is a chance they may be scamming you. Be conscious and aware of this and always think things through very critically. Do not be afraid to ask tough, rude questions to make sure that you are not going to get scammed.

Key Questions To Ask:

- What is this person's interest in me and my business?
- Are they asking for money or work done upfront?
- Is this a multi-level marketing scheme? MLM's are almost ALWAYS scams. If a business says you can make \$XXX by signing up your friends and family to buy our service and then they sign up their friends and family... yup you are being scammed.
- Is this salesperson trying to prey on your fears? Are they saying you need life insurance because you will die soon? Yup a scam.
- Do I know this person or company? Can I research them online or talk to other people to verify their claims?
- Is this person claiming to do something in best interest but I don't really know why they would?

Common Scams:

- Tech support scam – if “tech support” for a company calls you, force them to verify themselves.
- Money transfer scams – people want you to send them payment for an item upfront online. Wiring money is like giving cash, once its gone you can't retrieve it. Never pay for an item online unless you can verify the seller.
- Online penny auction scams – hey you can buy a \$1,000 television for \$20? Awesome! But wait... why would they give away a television? Sadly there is no free lunch and they are scamming you with their auction structure. Avoid.
- Email spam – unsolicited emails selling products from unknown vendors.
- Text message spam – same as email spam
- Identity theft scam – carefully monitor you and your business's credit reports for signs of fraudulent activity.
- Work from home scams - people promising you to make big bucks for just sitting at your computer and clicking? Once again, ask what's in it for them. Turns out generally you are the one getting scammed.
- Pay in advance credit offer scams - legitimate banks will never ask you to pay in advance to get a line of credit.
- “Low Risk” investment scams – got an email promising you an amazing investment in a secret new green technology? Probably a scam.
- Nigerian email scams - someone promising you lots of money to help them move or transfer funds? They just want you bank account number so they can empty out your pockets.
- Debt relief scams - hear all those ads on the radio for debt relief? Have you ever asked yourself why a company would pay good money for radio time to get you out of debt for free? Unfortunately, these companies are mostly just going to take your money and not actually do anything to relieve your debt.

HOW TO AVOID SCAMS

TOP INTERNET SCAMS

1. IDENTITY THEFT

A vehicle for perpetrating other types of fraud schemes.

2. ADVANCED FEE LOAN

It is illegal for a company to charge a fee in advance to obtain a loan.

3. BRAND SPOOFING / SPAM

Includes email, text, and fabricated websites scams.

4. DEBT ELIMINATION

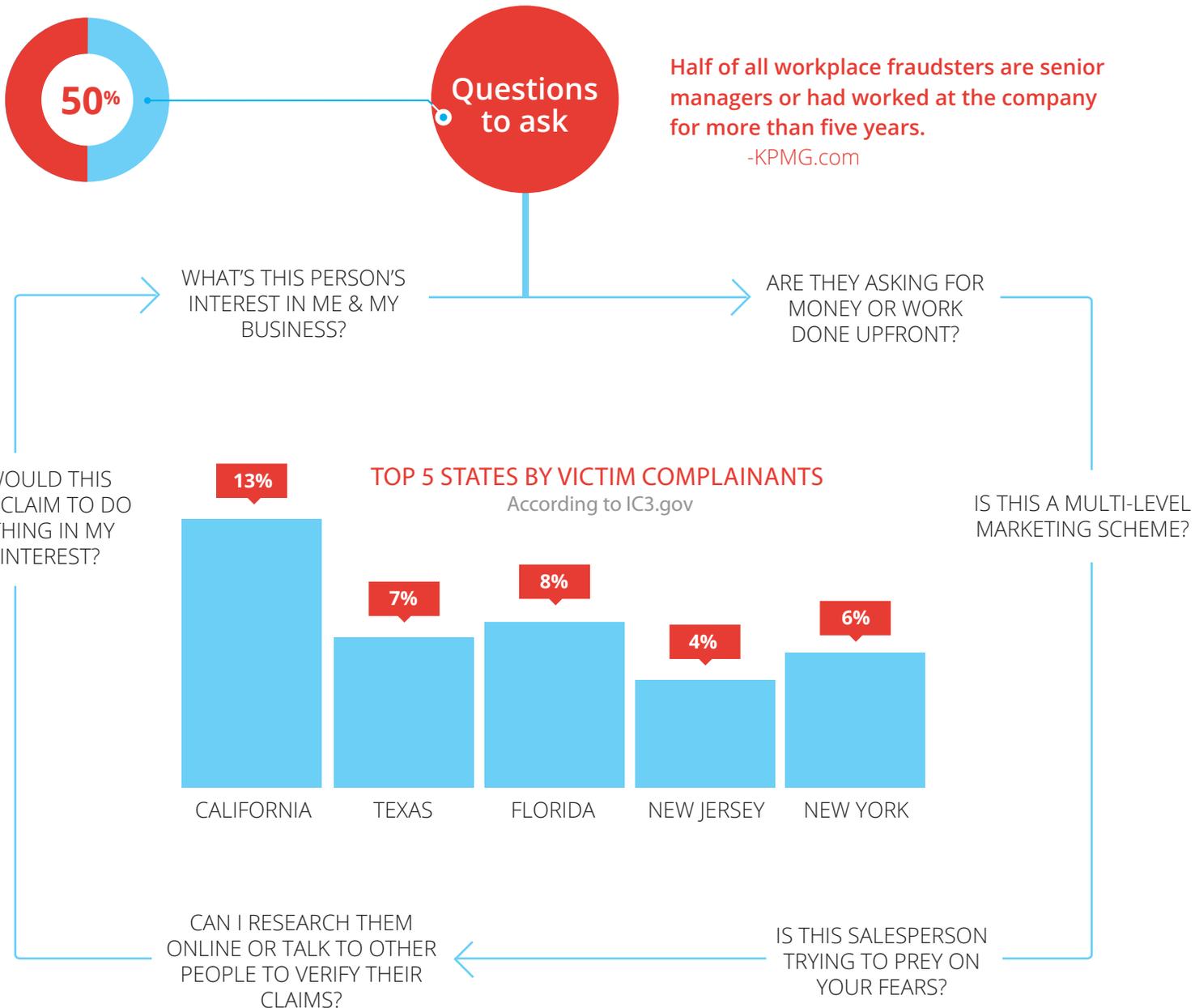
Advertising legal way to dispose of debt.

5. INVESTMENT FRAUD

False or fraudulent claims to solicit investments or loans.

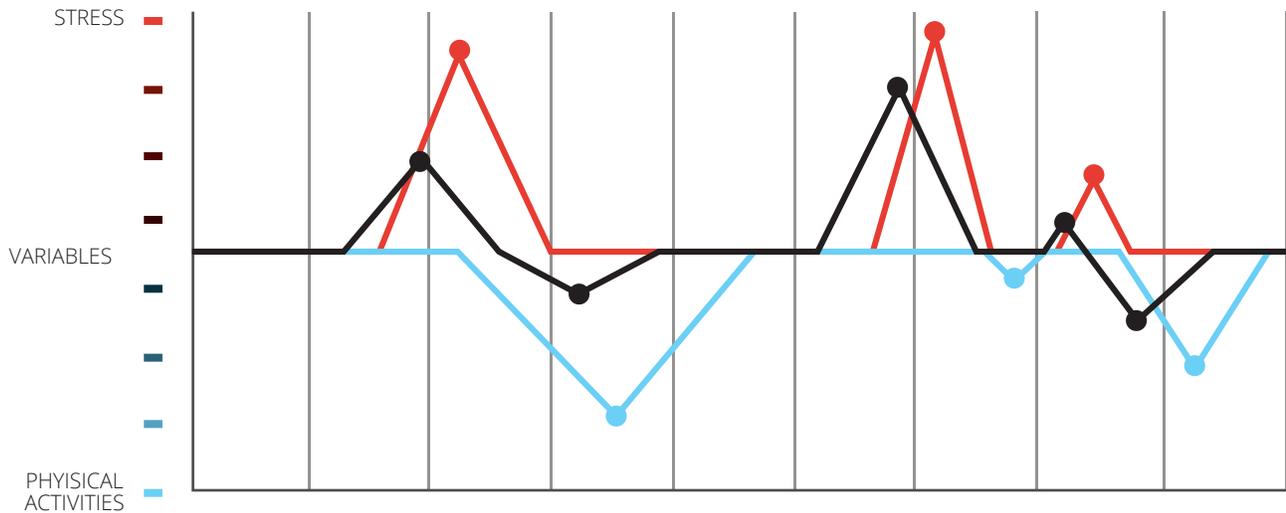
6. NIGERIAN LETTER OR "419"

Impersonation fraud with a variation of advance fee schemes.



BEATING THE DAILY GRIND

Cortisol Levels



Stress

Stress is directly linked to an increased amount of cortisol levels produced by the adrenal gland.

Physical Activities

Exercising or taking a walk can dramatically reduce cortisol levels in the body, allowing you to relax.

Variables

Different events throughout the week can raise or lower your stress level.

68%

Beating the Grind

For the first 5 years, 68% of your time a week must be spent on your business.

- Joel Gross, CEO of Coalition Technologies

ORGANIZE YOUR PRIORITIES.

Create a series of steps to overcome a potential loss.



TAKE A BREAK.

Go for walk. Take a nap. Go to the gym. Get out of the funk and clear your head.



DON'T FORGET TO SOCIALIZE.

Its important to know you have support outside of the business.



EAT HEALTHY FOOD.

What you put into your body



GET ENOUGH SLEEP.

Low energy levels leaves you feeling like your problems are looming over you.



LOOK AT PROBLEMS OBJECTIVELY.

Look at the big picture. You've probably gotten through worse.



AVOID ALCOHOL.

It doesnt help to avoid your problems, if anything it makes it worse.



WORK OUT.

Release stress and lower your cortisol

Beating The Grind

The day is only just beginning but you find yourself sitting at your computer in a funk of despair. Sitting down and doing a full day of work seems impossible. You can't get any tasks started, you find the people around you annoying, you feel tired and beat down. You just want to go home and cry.

This is the bottom of The Grind. The Grind is the day to day necessary work to run the business. You have to show up and work no matter how you feel: Some days you feel like you are on a roll and conquering foes left and right, other days you feel hopeless and stuck.

How can you beat the grind? How can you get through the down times? How do you stay steady day after day?

What Causes The Grind:

Half the battle of beating the doldrums of The Grind is understanding what it is and how it comes about.

A part of being human is having your emotions sometimes high and sometimes low. There is a natural process and cycle that happens that is divorced from reality. You need to expect and understand that your emotions are fickle and will change over time. There are also many factors in reality that can cause you to feel on a high or down in a low.

Potential Highs:

- Your team completes a project successfully
- You close a new deal
- Goals are met
- People treat you well

Potential Lows:

- A client quits
- An employee quits

- Goals are missed
- You have to deal with collections

Understanding that both positive and negative events will happen in business (and often pile on top of one another), is a big key in getting through these times. When it seems like the entire world is against you (and sometimes it will be!), step back and keep in mind the big picture. You have been through times like these before and you will go through them again. You will have highs and lows till the day you die, it's just a part of being human. Embrace it and understand it, and let go of feelings that arise from the stuff in between.

How to Beat the Grind:

Secret cheats of experienced business owners to getting through the grind:

- 1.** Break down the big problems into a series of tiny steps. Your biggest client just stopped working with you? Don't despair; instead figure out the individual steps you will need to take to replace that client. Think it through step by step from additional marketing efforts to new sales techniques you can implement.
- 2.** Take a break. Go outside and go for a walk. Take a nap. Go to the gym (even in the middle of the workday!) You have to break out the funk and many times changing your physical surroundings will help with that.

- 3.** Get enough sleep! If you aren't sleeping enough, you will have low emotional energy reserves and small problems will loom up huge and huge problems will suffocate you. If you approach each day fresh, you will have less difficulty getting through the day.

- 4.** Look at the problems facing you objectively. Generally an issue that seems overwhelming at the moment really isn't when you think about the big picture. Has an employee just quit to travel the world? Just think back to when there was only you and one other person working in your company and that person quit! You got through that problem right? You will get through this one too.

- 5.** Maintain healthy relationships outside of work. For an entrepreneur, it is all too easy to let go of friendships and family when you are charging forward to make your business successful. Young businesses require 100% of your effort so it is extremely hard to find anything to spare for outside relationships. However, these outside relationships are the key to helping keep you stable through the highs and lows and letting you know there is a world outside of your business.

- 6.** Avoid alcohol and other substances. Alcohol may help you let go of your problems for a couple of hours, but they will be back and they will be worse the next day when you are hung over. Don't use alcohol or other substances to try to "medicate" away your issues. Find healthy stress outlets instead; hobbies, exercise, relationships.

7. Eat healthy food. What you put into your body eventually determines who you are. If you fill up on over-processed, unhealthy food, you will become an unhealthy person. Even when you are stressed out and under deadlines make sure to take the time to eat healthy or eventually you will lose capacity for dealing with problems.

8. Practice gratitude. One of the things I do each day is write down something I am grateful for. This is just a couple of lines, but it really helps me to understand what a great life I have and puts things in perspective.

9. Forgive and release grudges. In running my business I have had to deal with many people who behaved in ways that were flat out evil. Early on,

I got myself so worked up that I would be angry for a week afterwards. That never helped and my productivity would go way down because of it. It is a smart business decision to release the bitterness and hate you may have towards someone who cheated you or treated you wrongly and move on to bigger and better things.

10. Work out. I strongly recommend that every entrepreneur work out at least 5 days a week. Why? Stress builds up at rates and levels that are very unhealthy for most business owners. In order to release all of this stress, you need to do hard physical exercise to get it burned off. Low on money? Simply go for a walk or run outside every day. Short on time? Use the New York Times 7 Minute Workout.

OPERANT CONDITIONING FOR EMPLOYEES

Operant conditioning is defined as learning in which an individual's behavior is modified by its consequences, either strengthening or weakening that behavior.

Goals

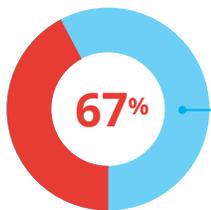
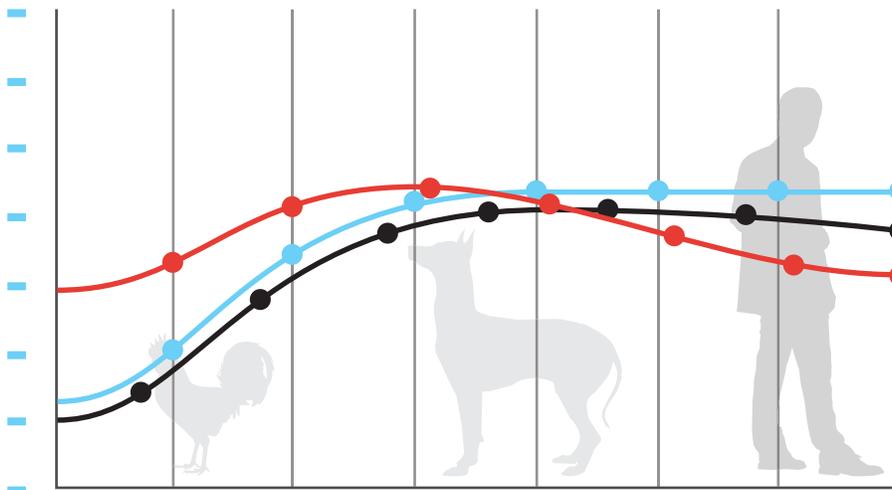
Encourage performance by defining goals that you want to see your employee achieve.

Positive Reinforcement

Provide this immediately after the desired behavior to help reinforce your desired goals.

Feedback

Give constructive feedback. Deliver a 6:1 ratio of positive to negative feedback.



Positive Feedback

92% of managers say they're doing an "excellent" or "good" job managing employees; only 67% of workers agree.

-Rasmussen Reports LLC for Hudson

"GOOD JOB!"

"THANK YOU"

SEND A THANK YOU EMAIL FOR SPECIFIC JOB THEY DID

GIVE SMALL PERKS - GIFT CARDS OR FREE LUNCH

TELL THEM UPPER MANAGEMENT WILL HEAR ABOUT THE GREAT JOB.

LET THE TEAM KNOW WHAT A GREAT JOB THE PERSON DID.

PROVIDE POINTS, BADGES, OR EMPLOYEE OF THE MONTH.

RECORD THEIR SUCCESS IN A TRACKING SHEET OR NOTES

Operant Conditioning

The key to understanding employee behavior and work ethic is to start by understanding the fundamental laws of operant conditioning.

An employee who started with a good attitude working at Coalition had his performance degrade over time. As his work performance became worse and worse, I came down on him harder and harder. I spent at least twenty minutes a day in special meetings with him trying to tell him what he was doing wrong and what he should be doing instead. All of my efforts were to no avail, eventually he just stopped showing up for work period. What happened in this situation?

Operant conditioning describes the processes by which any organism (ranging from a chicken to a dog to an employee in your organization to yourself) learns new behaviors.

Operant conditioning is defined as learning in which an individual's behavior is modified by its consequences, either strengthening or weakening that behavior. For example if you touch your hand to a hot stove, suffering a burn that will provide a strong negative reinforcement.

How does operant conditioning change human behavior?

- 1.** State the goal. What behavior do you specifically want to encourage? At Coalition we define goals in terms of KPIs (Key Performance Indicators). A KPI needs to be specific, measurable, and easily understood. Don't assign more than 2-3 KPI's per employee and make sure you let each employee know how important each KPI is to you.
- 2.** Monitor the behavior. Track KPIs in a way that is easily understood and accessible to the employee. Make sure it is logged.
- 3.** Provide positive reinforcement immediately following the person performing the desired behavior. It is extremely important to give employees positive reinforcement at least daily for their desired behavior. Desired behavior would be any work that helps them with their KPI. Managers are responsible for identifying this desired behavior and reinforcing it by smiling and telling the employee thank you and complimenting them for their good work.

4. Provide feedback when the employee performs incorrect behaviors, but be cautious here. Make sure feedback is delivered in a constructive, correcting manner. Also be certain that you deliver at least a 6:1 ratio of positive feedback to negative feedback.

Positive Reinforcers for Employees

- SMILE at them
- Say “Thank you”
- Say “Nice work”, “Good job”, “Well done”, etc
- Tell them “I will let upper management know what a great job you did on X project”.
- Record what they did in a tracking sheet or their 1 on 1 meeting notes or even a chart on the wall with stars
- Email them personally and thank them specifically for what they did
- Email their team and let the team know what the person accomplished
- Provide “points” or “badges” of some kind
- Give the employee a small thank you perk such as a starbucks card or a voucher for a movie ticket or by taking them to breakfast or lunch.

How to Get Free Labor

The cheap labor I refer to in the title of this article is not overseas, nor is it interns. It is your own time. You might make a big salary working at a company right now, but if you want a successful business you must do everything yourself at first.

In my time as CEO of Coalition, I have worked with dozens of business owners and have seen what makes a business owner successful and what makes others fail. The single biggest distinguishing factor I have observed is NOT intelligence or connections. Instead, the single biggest factor that determines the success or failure of a new business is the amount of work the business owner himself puts into the company.

When you start your business, you need to go into it with the realization that in order to build a successful company and gain the ground that your competitors already have on you, you need to work twelve hours a day, six days a week for at least the first five years. I myself am not to the five year point and I put in these hours. It is completely

necessary to do all tasks in the business yourself until you can afford to hire someone to help you. At that point, you continue to work 12 hours a day, you just delegate some of the tasks that you can't get to yourself to the person you have hired to help.

Let's say that you raised \$1 million to start your business – you don't still have to put in six days a week, 12 hours a day do you? Absolutely, yes. Here's why:

You will never do a good job hiring or assessing someone's performance if you cannot do their job yourself. The most affordable training in how to do a job is to do it yourself and read everything you can get your hands on. Avoid school – I went to a prestigious undergraduate business school and learned less in 4 years of formal education than I did in my first 3 months of starting Coalition.

For most businesses, you will need to learn the following basic skills by doing the work yourself and researching as much as you can:

- Bookkeeping / Accounting / Finance
- Legal
- Recruiting / Hiring / Human Resources

- Marketing
- Sales
- Operations

You will want to set up each of these systems yourself and learn the basics in the process of doing so. Sure, you will never be a CPA, but having an understanding of accounting terms and practices will be very powerful for you later in the

life of your business when other people are doing this for you.

You should do as much as you can each day and only have other people do work that you cannot get to. As your business grows, this means you will understand how EVERYTHING is done inside of it and you will do a much better job of managing and optimizing the entire thing.

HOW TO GET FREE LABOR

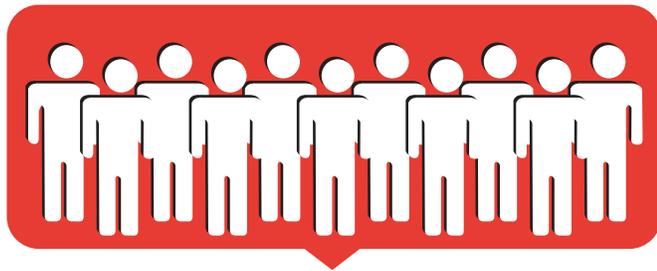
The single biggest factor that determines the success or failure of a new business is the amount of work and time the business owner puts into the company. Cheap labor is your own time.

2 Employees



\$15,294 avg. annually + wage

11 Employees



\$84,117 avg. annually + wage

Firms with fewer than 20 employees annually spend \$7,647 per employee to comply with federal regulations.

-SBA Office of Advocacy

68%

Do it Yourself

For the first 5 years, 68% of your time a week must be spent on your business.

- Joel Gross, CEO of Coalition Technologies

DO ALL THE WORK YOURSELF.

You will be able to better assess performance of employees.



SET UP EACH SYSTEM.

From accounting to HR, learning the back end of each system is important for your business functionality.



LEARN TO DELEGATE.

If you can't do all the work yourself, properly delegating to someone else is important in learning how to manage.



LEARN BASIC SKILLS.

Including Accounting, Legal, HR, Marketing, Sales, & Operations.



AVOID SCHOOL.

You'll learn more in 3 months of starting a business than in 4 years of school.



PRODUCTIVITY IS KEY.

Take naps, organize, plan breaks, eat healthy, and avoid multi-tasking.



TAX CREDITS & PREPARATION

BASICS OF TAXATION



SOFTWARE TO USE:

Turbo Tax from Intuit for Small businesses



BASIC EQUATION:

Revenues - Expenses = Profits

The IRS uses rates that determine the higher your profits are the higher percentage you pay as tax.



DEDUCTIBLE BUSINESS EXPENSE:

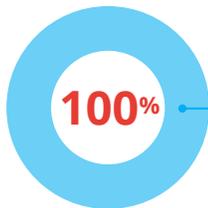
What it is and what it is not.



IRS AUDITING

Record keeping will save you from audits.

SAVE RECORDS FOR
6-8 YEARS



Business Structure

Travel expenses are 100% deductible. These include airfare, hotel, rental cars, valet, taxi, trains, and tolls.

-Entrepreneur.com

S CORPORATION

Don't pay as much medicare & social security taxes on yourself

C CORPORATION

Corporation has a lower maximum tax bracket than the S-corporation

SOLE PROPRIETORSHIPS

PARTNERSHIPS

LIMITED LIABILITY COMPANY (LLC)

DEPRECIATION

Definition: *Decrease in value due to wear and tear, decay, decline in price, etc.*

AN ITEM THAT WILL HAVE VALUE TO THE BUSINESS FOR SEVERAL YEARS (DESK, COPIER, CAR, OR REAL ESTATE) WILL NEED TO BE DEPRECIATED OVER FUTURE YEARS.

Business Tax Credits & Prep

Taxes are an inevitable part of life for the successful business owner. Once your company is built and operational and bringing profits, Uncle Sam is going to come knocking at your door to take his share.

You want to make sure you pay all of the taxes you are legally obligated to or you will find yourself in prison or paying huge fees at a high interest. Politicians make very sure that they get your money. You do want to minimize your tax burden as much as you legally can though otherwise. There are a number of tax credits and strategies you can use to help reduce the amount of money you pay in taxes each year so that you can reinvest in your company and increase your growth.

Below I will run through the best tax software to use, the best tax credits and breaks for business owners and tax preparation strategies to be aware of. These strategies will of course change depending on what state you are in, talk to a local tax specialist for more advice.

Best Tax Software:

I strongly suggest using TurboTax from Intuit for small business owners. This software is well crafted and comprehensive in checking most of the things you need to do. For a small business owner on a limited budget this software is a godsend. I have used it myself in my business for the last 3 years and expect to use it going into the future as well.

Small Business Tax Strategies and Tax Credits

Owning a small business and making ends meet is hard enough, but once you are successful there you have to figure out the byzantine American tax code. The United States tax code has been put together in a patchwork way that makes doing your taxes very challenging. Here are some of the core areas to focus on as you put together your taxes:

- Know basics of taxation. The government taxes you generally based on your profits. Revenues – expenses = profits. The IRS uses a schedule of tax rates so that the higher your profits are the higher percentage of your profits you pay as tax. Your goal as a business owner is to use tax rules and tax credits and other tax tools to make your revenue appear as low as legally possible to the

IRS and your expenses as high as legally possible so that the IRS sees a smaller profit thus making you pay less total money in taxes.

- Understand what is and is not a deductible business expense. The IRS defines any expense that is “ordinary, necessary, and reasonable” as a deductible business expense. Buying a computer for your business is deductible, but buying a computer for your home is not. Each expense or property that you purchase must be used specifically in your trade or business and help you generate income. Certain items are specifically prohibited from being deductible such as traffic fines, illegal payments, clothing at work, etc.
- Avoid trouble with the IRS by keeping good records. Never forget the “3 R’s” of an audit: record keeping, record keeping, and more record keeping. IRS studies have shown that poor record keeping, not fraud, is what causes most small businesses to end up getting penalized and audited. Keep receipts and invoices for everything you can and try to organize them either by month or by category (or both) so that if an audit happens you can easily find your records to prove your purchases. You especially want to keep records for travel, entertainment, and car expenses as these are items the IRS loves to look at.
- What type of business structure should you use? Small businesses generally get better tax treatment by filing as an S-corporation because you don’t need to pay as much medicare and social security taxes on yourself. However, as you grow and reach \$400,000 in income as a single filer or \$450,000 as a joint filer you will want to consider switching to a C corporation structure as a C corporation has a lower maximum tax bracket than the S-corporation (35% vs 39.6%).
- What items can be deducted in full this year versus what items need to be spread over several years? Current expenses, such as paper, rent, electricity and other consumables you use immediately can be deducted this year. If you purchase an item that will have value to the business for several years, you need to depreciate that asset over future years. Assets that require depreciation are items like a desk, copier, car, or real estate you purchase. IRS has a set of rules that explain what the specific depreciation schedule is for different types of items.

How to Manage Interns

Before you've actually had interns working for you, managing them seems like it would be a piece of cake.

Those of us who have had experience managing interns realize that getting productive work out of them without putting too much time into monitoring them while also helping them learn something is actually somewhat challenging.

The purpose of an intern is to give another person an opportunity to learn more about a field through practical experience. This person generally only comes in with very general knowledge and very general skill sets. The intern also is usually a temporary employee who works a few months and only a few hours a week.

To get productive work from team members you need to spend a fairly significant amount of time training them and that time pays off if they work full time and save you time doing the tasks you've handed off to them well.

Obstacles to managing interns:

- Interns only have a very basic knowledge of your industry.

- Interns only have a few limited months to spend at your company.
- Interns usually only work a few hours a week.
- Interns don't care about your company as much as regular employees – you are a stepping stone.
- Interns need to actually learn valuable skills.
- Understanding these obstacles and assigning work that does not conflict with these obstacles is the key to successfully having interns.

Requirements for assignments:

- No higher than basic level skills required. If a skill is required, it should take no more than an hour or two of training.
- The work should not be “busy” work. Make sure it is something genuinely valuable to the business.
- The work should bring the intern into contact with valuable knowledge about the industry

Internships as recruiting tools:

Keep in mind the people you have as interns today may be employees tomorrow. You should carefully select interns who have the potential to become full time team members. Once on board, watch their work closely and people who have the work ethic and drive to become stars of your team should be recruited to be full time team members. You essentially turn an internship into a three month job interview!

Good assignments for interns:

- Backburner projects you have not been able to get to that are time consuming but not especially technical
- Quality assurance work – reviewing other tasks/work to make sure they meet certain explicit guidelines
- Writing copy for your website
- Writing guest blog posts for other websites that link back to your site
- Filing and organizing paperwork or digital files that need to be accessed in the future
- Doing research into areas that you may not have had time to get to
- Acting as personal assistants for employees (doing work tasks, not getting coffee)
- Gathering client feedback

Keys to motivating an intern:

- Treat the intern like an equal team member as much as possible
- Share the big picture of what the company is doing, how it is doing it and how they contribute
- Meet the intern weekly to assess his/her performance
- Break big projects into small incremental tasks
- Encourage your intern to ask questions

HOW TO MANAGE **INTERNS**



REQUIREMENTS



The work should bring the intern into contact with valuable knowledge about the industry



The work should not be "busy" work. Make sure it is something genuinely valuable to the business.



No higher than basic level skills required. If a skill is required, it should take no more than an hour or two of training.

Good Assignments for Interns

Gathering Client Feedback

Writing Blog posts

Organization

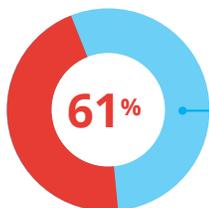
Quality Assurance

Helping team with tasks

Copy Writing

Research

Back Burner Projects



Motivate

In 2011, 61.2% of employers made full-time offers to their interns, out of which 86.5% of the interns accepted.

-Online Colleges

TREAT THEM LIKE AN EQUAL TEAM MEMBER

GET THEM INVESTED IN THE COMPANY BY SHARING YOUR BIG PICTURE

ASSESS THEIR PERFORMANCE WEEKLY

ENCOURAGE QUESTIONS

PLAN FOR A BETTER LIFE

BASICS OF HEALTH



ALCOHOL

Avoid drinking more than 3 glasses of wine a week.



EXERCISE

Exercise 4 times a week including an activity you enjoy.



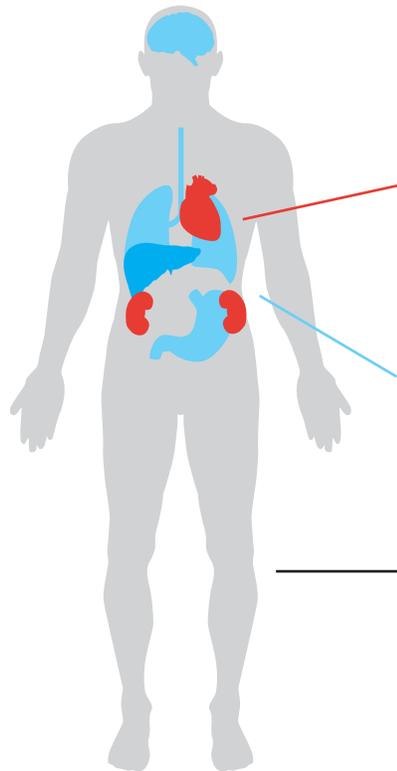
NUTRITION

Eat at least 2,000 calories a day. 2-4 separate meals.



FINANCES

Save 25% of your income every pay period.



33%

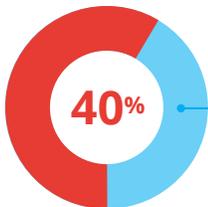
Swapping “white” carbs for whole grains may lower your risk for heart disease by 33%

90%

Smoking causes an estimated 90% of all lung cancer deaths in men and 80% in women

60%

60% of American adults do not get enough physical activity to receive the health benefits related to exercise



Schedule Activities

40% of workers “feel more productive and better about their job” when returning from vacation.

-CCH Human Resources Management

INVEST IN HOME & SOCIAL ACTIVITIES & HOBBIES

PLAN YOUR WEEKENDS

PLAN YOUR VACATIONS WITH FINANCES IN MIND

Plan for a Better Life

General health

- Life is a wonderful, amazing and rare gift. Maximize your enjoyment of it by taking care of your body. You take care of your body now, it will take care of you as you get old.
- Never smoke, avoid drinking more than 3 glasses of wine in a week (and no more than 2 in a sitting), never take prescription or illegal drugs.

Nutrition

- Eat at least 2,000 calories a day (2-4 separate meals, the biggest one being breakfast)
- Majority of diet should be vegetables, some fruit, seeds, nuts, fish
- A blender drink a day is one of the healthiest and most consistent ways to eat a big healthy breakfast

Exercise

- Vigorously exercise at least 4 times a week
- Do strength training of some sort
- Do cardio/ endurance training of some sort

- Do flexibility training of some sort
- Pick an activity that is fun for you that meets the above needs (yoga, group running, volleyball, etc)

Finances

- Save at least 25% of your income every pay period. Just take your paycheck and put money straight from it into a savings account. Pretend you make only 70% of what your actual paycheck is and budget your life accordingly.
- If you have less than 25% of your annual income saved, save 50% of your income every pay period until you get this rainy day fund built up
- Once you have 25% of your annual income saved, move this fund into a Scottrade investment account.

Career

- Understand the business owner's need for good team members and fill these needs to get the maximum promotions and raises you can:

- Reliable: show up before official start every day and work later when necessary
- Productive: work with focus and energy and passion. Find ways to improve your job and get more done than we were able to get done before.
- Attitude: have a smile on your face and be willing to try anything to help the company improve. Make other people around you happy to have you on the team.

Fun

- Find regular hobbies that you really enjoy that you can do at least 2x a week at home
- Find hobbies you can do at least once a week

that you enjoy that involve other people... book clubs, movie clubs, yoga, entrepreneur groups, etc

- Plan your weekends and many evenings with the same fervor you plan your work. Come up with good ideas and execute on them.
- Plan your bigger trips with your finances in mind – think about ways to have an awesome trip without blowing out your budget or all your vacation. It is an excellent idea to have vacations during slow times in the business when you can get multiple holidays so you don't lose as many vacation days (Thanksgiving and Christmas and new years and 4th of July are excellent choices